

108TH CONGRESS  
1ST SESSION

# H. R. 1426

To amend the Internal Revenue Code of 1986 to allow a deduction for ground rent paid on land on which a qualified residence of a taxpayer is located and which is allotted or Indian-owned land.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 25, 2003

Mr. HAYWORTH (for himself, Mr. BECERRA, Mrs. BONO, and Mr. KILDEE) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to allow a deduction for ground rent paid on land on which a qualified residence of a taxpayer is located and which is allotted or Indian-owned land.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. DEDUCTION FOR GROUND RENT ON INDIAN-**  
4 **OWNED LAND, ETC., ON WHICH A QUALIFIED**  
5 **RESIDENCE OF A TAXPAYER IS LOCATED.**

6 (a) IN GENERAL.—Paragraph (3) of section 163(h)  
7 of the Internal Revenue Code of 1986 (defining qualified

1 residence interest) is amended by adding at the end the  
2 following new subparagraph:

3 “(E) GROUND RENT ON INDIAN-OWNED  
4 LANDS, ETC.—

5 “(i) IN GENERAL.—Ground rent paid  
6 by a taxpayer during the taxable year on  
7 any lease of Indian lands shall be treated  
8 as qualified residence interest paid by the  
9 taxpayer if a qualified residence of the tax-  
10 payer is located on such lands.

11 “(ii) INDIAN LANDS.—For purposes of  
12 clause (i), the term ‘Indian lands’ means—

13 “(I) any land within the limits of  
14 an Indian reservation, pueblo, or  
15 rancheria,

16 “(II) any land not within the lim-  
17 its of an Indian reservation, pueblo, or  
18 rancheria whose title is held in trust  
19 by the United States for the benefit of  
20 an Indian tribe or one or more Indi-  
21 ans (as an allotment or otherwise) or  
22 whose title is held by an Indian tribe  
23 or an Indian subject to restriction by  
24 the United States against alienation,  
25 and

1 “(III) any land within a depend-  
2 ent Indian community.

3 For purposes of the preceding sentence,  
4 the term ‘Indian tribe’ means any Indian  
5 tribe, band, nation, or other organized  
6 group or community which is recognized as  
7 eligible for the special programs and serv-  
8 ices provided by the United States to Indi-  
9 ans because of their status as Indians.”

10 (b) EFFECTIVE DATE.—The amendment made by  
11 this section shall apply to taxable years beginning after  
12 the date of the enactment of this Act.

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